

Message Text

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PAGE 01 SANTIA 00595 281936Z

73

ACTION EB-07

INFO OCT-01 ARA-10 ISO-00 AID-05 CIAE-00 COME-00 FRB-01

INR-07 NSAE-00 RSC-01 TRSE-00 XMB-04 OPIC-06 SP-02

CIEP-02 LAB-04 SIL-01 OMB-01 FSE-00 ABF-01 OPR-02 A-01

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R 281553Z JAN 75

FM AMEMBASSY SANTIAGO

TO SECSTATE WASHDC 1940

UNCLA SANTIAGO 0595

E.O.11652:N/A

TAGS: EFIN AFSP CI

SUBJ: DEVALUATION OF EXCHANGE RATE

REF: SANTIAGO 0008

1. EFFECTIVE JANUARY 28 CENTRAL BANK DEVALUED BANKERS' RATE FROM 1870 TO 2150 ESCUDOS PER DOLLAR AND BROKERS' RATE FROM 2000 TO 2350 ESCUDOS PER DOLLAR.

2. DEVALUATION IS 15 PERCENT FOR BANKERS' RATE AND 17.5 PERCENT FOR BROKERS' RATE, WITH NOMINAL DIFFERENCE BETWEEN TWO NOW ABOUT 9.3 PERCENT.

3. EFFECTIVE SELLERS' RATE (RATE AT WHICH CHILEAN BUY DOLLARS) IN BOTH MARKETS IS APPROXIMATELY 2700 ESCUDOS PER DOLLAR.

4. COMMENT: THIS DEVALUATION CONTINUES RECENT TREND OF EXCHANGE RATE CHANGES IN EXCESS OF INCREASE IN CONSUMER PRICE INDEX (CPI). GOC POLICY REFLECTS NEED TO REDUCE HUGE ANTICIPATED 1975 BOP GAP BY DISCOURAGING IMPORTS AND ENCOURAGING EXPORTS.
POPPER

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Message Attributes

Automatic Decaptioning: X
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Current Classification: UNCLASSIFIED
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Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: n/a
Disposition Approved on Date:
Disposition Authority: n/a
Disposition Case Number: n/a
Disposition Comment:
Disposition Date: 01 JAN 1960
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
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Drafter: n/a
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Margaret P. Grafeld
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